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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

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**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/09 AND ENDING 12/31/09  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: FondsMANN, INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY

FIRM I.D. NO.

950 THIRD AVE., SUITE 1902

(No. and Street)

NEW YORK,

(City)

NY

(State)

10022

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

ROBERT C. LAU

212-751-8523

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

SHERB & Co., LLP

(Name - if individual, state last, first, middle name)

805 THIRD AVE. NEW YORK, NY 10022

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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OATH OR AFFIRMATION

I, ROBERT C. LAU, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FONDS FINANS INC., as of DECEMBER 31, 2009, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

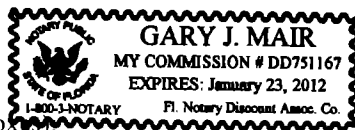
Robert C Lau

Signature

President

Title

[Signature]  
Notary Public



This report \*\* contains (check all applicable boxes)

- ☐ (a) Facing Page.
- ☐ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☐ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

*\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

**Fondsfinans, Inc.**

Financial Statements and Schedules

December 31, 2009

(With Independent Auditors' Report Thereon  
and Supplemental Report on Internal Control)



SHERB & CO., LLP

805 Third Avenue  
New York, NY 10022  
Tel: 212-838-5100  
Fax: 212-838-2676  
e-mail: info@sherbcpa.com

Offices in New York and Florida

*Certified Public Accountants*

### **Independent Auditors' Report**

The Board of Directors and Members  
Fondsfinans, Inc.

We have audited the accompanying statement of financial condition of Fondsfinans, Inc. (the "Company") as of December 31, 2009, and the related statements of operations and stockholders' capital and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fondsfinans, Inc. as of December 31, 2009, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sherb & Co., LLP  
Certified Public Accountants

New York, New York  
February 22, 2010

**Fondsfinans, Inc.**

**Statement of Financial Condition**

December 31, 2009

**Assets**

Cash and cash equivalents	\$ 234,769
Security deposit	<u>52,500</u>
<b>Total assets</b>	<u><u>\$ 287,269</u></u>

**Stockholders' Equity**

Common stock - no par value, 1,000 authorized, 100 shares issued and outstanding	\$ 955,655
Accumulated deficit	<u>(668,386)</u>
<b>Total stockholders' equity</b>	<u><u>\$ 287,269</u></u>

See accompanying notes to audited financial statements.

**Fondsfinans, Inc.**

**Statement of Operations and Changes in Stockholders' Equity**

**Year ended December 31, 2009**

<b>Revenues:</b>	<b>\$ <u>          -</u></b>
<b>Expenses:</b>	
Professional fees	56,399
Compensation and benefits	260,385
Rent expense	122,319
Insurance	18,975
Other expenses	<u>188,711</u>
<b>Total expenses</b>	<b><u>646,789</u></b>
<b>Net loss from operations before income taxes</b>	<b><u>(646,789)</u></b>
<b>Income taxes</b>	<b><u>-</u></b>
<b>Net loss</b>	<b><u>\$ (646,789)</u></b>
 <b>Stockholders' equity January 1, 2009</b>	 <b><u>\$ 8,103</u></b>
<b>Stockholders' equity December 31, 2009</b>	<b><u>\$ 287,269</u></b>

See accompanying notes to audited financial statements.

**Fondsfinans, Inc.**

Statement of Cash Flows

Year ended December 31, 2009

**Cash flows from operating activities:**

Net loss	\$ (646,789)
Changes in assets and liabilities, net of the effect from acquisition:	
Prepaid expenses and other assets	<u>(52,500)</u>
Net cash used in by operating activities	<u>(699,289)</u>

**Cash flows from investing activities**

-

**Cash flows from financing activities:**

Contributed capital	<u>925,955</u>
Net cash provided by financing activities	<u>925,955</u>
Net increase in cash and cash equivalents	226,666
Cash and cash equivalents - beginning of year	<u>8,103</u>
Cash and cash equivalents - end of year	<u>\$ 234,769</u>

Supplemental cash flow information:

Cash paid for interest	\$ <u>-</u>
Cash paid from income taxes	\$ <u>-</u>

See accompanying notes to audited financial statements

## **Fondsfinans, Inc.**

### **Notes to Financial Statements**

#### **(1) Organization**

Fondsfinans Inc. ("the Company") is a wholly owned subsidiary of Fondsfinans ASA, Norway's oldest independently owned investment firm. Founded in 2008, Fondsfinans is a knowledge-based investment firm with the business objective of creating long-term added value for its clients.

Fondsfinans Inc. is a member of FINRA and SIPC.

Fondsfinans Inc. distributes the equity research produced by Fondsfinans ASA to U.S. institutional investors pursuant to SEC Rule 15a-6 and FINRA Rule 2711.

#### **(2) Summary of Significant Accounting Policies**

##### **(a) Cash and Cash Equivalents**

The Company considers highly liquid financial instruments with maturities of three months or less at the time of purchase to be cash and cash equivalents.

The Company maintains its cash in bank accounts at high credit quality financial institutions. The balances at times may exceed federally insured limits.

##### **(b) Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### **(c) Fair Value of Financial Instruments**

Substantially all of the Company's financial assets and liabilities are carried at market or fair value, or at amounts which approximate current fair value due to their short-term nature.

##### **(d) Income Taxes**

Deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

##### **(e) Management Estimates**

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP"). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.



## **Fondsfinans, Inc.**

### **Notes to Financial Statements**

#### **(3) Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2009, the Company had net capital of \$234,769 which was \$134,769 in excess of its required net capital of \$100,000.

#### **(4) Capital Contributions**

During the year, the Company received approximately \$900,000 in capital contributions from its parent company, Fondsfinans ASA.

## Supplemental Information

**Fondsfinans, Inc.**

Computation of Net Capital  
Under Rule 15c3-1 of the  
Securities and Exchange Commission  
December 31, 2009

Total Members' capital qualified for net capital	\$ 287,269
Deductions and/or charges	(52,500)
Net capital	<u>\$ 234,769</u>
Computation of Basic Net Capital Requirement:	
Minimum dollar net capital requirement of broker and dealer	<u>100,000</u>
Net capital requirement	<u>\$ 100,000</u>
Excess net capital	<u>\$ 134,769</u>
Computation of Ratio of Aggregate Indebtedness to Net Capital:	
Total aggregate indebtedness	<u>-</u>
Ratio of aggregate indebtedness to net capital	<u>-</u>
Net capital, per unaudited December 31, 2009 FOCUS report	<u>\$ 234,769</u>
Net audit adjustment	<u>-</u>
Net capital, per December 31, 2009 audited report, as filed	<u>\$ 234,769</u>

**Statement Pursuant to Paragraph (d)(4) of Rule 17a-5**

No material differences exist between the net capital computation above and the computation included in the AMENDED FOCUS Form X-17a-5 Part IIA, as filed by the Company on February 18, 2010.



SHERB & CO., LLP

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Offices in New York and Florida

*Certified Public Accountants*

**Independent Auditors' Report on Internal Control  
Pursuant to SEC Rule 17a-5 for a Broker-Dealer  
Claiming  
Exemption From SEC Rule 15c3-3**

The Board of Directors and Stockholder  
Fondsfinans, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of Fondsfinans, Inc. (the "Company") for the year ended December 31, 2009, we considered its internal control, including control activities for safeguarding securities, in order to determine our audit procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

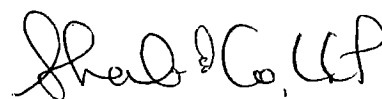
The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls, and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2009 to meet the SEC's objectives.

The report is intended solely for the use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than the specified parties

A handwritten signature in dark ink, appearing to read "Sherb & Co., LLP", is positioned above the printed name of the firm.

Sherb & Co., LLP

Certified Public Accountants

New York, New York  
February 22, 2010